

MODIFICATION 0451

INDIVIDUAL SETTLEMENT FOR PRE-PAYMENT AND SMART METERS

[Draft Legal Text]¹

TRANSPORTATION PRINCIPAL DOCUMENT

SECTION E: DAILY QUANTITIES, IMBALANCES AND RECONCILIATION

Amend paragraph 1.3.2 to read as follows:

1.3.2 "Individual NDM Reconciliation" ~~is~~includes:²³

- (a) a reconciliation and adjustment in respect of gas offtaken from the Total System ...
 - (i) where the Supply Meter Point ...
 - (1) the quantities ...
 - (2) the quantities ...
 - (ii) where the Supply Meter Point ...
 - (1) the quantities ...
 - (2) the quantities ...; and
- (b) Individual Eligible SSP Reconciliation.⁴

Amend paragraph 1.3.7 to read as follows:

1.3.7 For the purposes of an Individual NDM Reconciliation ...

¹ Based on Business Rules in Modification Proposal Version 4.0 dated 3 July 2013.

²It is not clear from the Modification Proposal whether the credit/debit referred to in Business Rule 3.4 is to operate at the individual eligible SSP level or on an aggregated basis for all eligible SSPs in the LDZ (i.e. a single adjusting quantity and value in which case there would be no need to extend the concept of Individual NDM Reconciliation). Proposer to clarify.

³ To the extent that a quantity of gas is to be added to the Annual Individual Reconciliation RbD 'pot' it would seem necessary to deduct an equivalent quantity from a different RbD 'pot' and the Business Rules are not clear on this. Proposer to clarify.

⁴The Modification Proposal seems to suggest 'individual settlement' so requiring existing Individual NDM Reconciliation to extend to a reconciliation of the differences between the quantities offtaken at eligible sites as determined by (i) EUC1 and (ii) the new prepayment EUC. Proposer to clarify.

- (a) ...
- (b) ...
- (c) **"Reconciliation Values"** means:
 - (i) NDM Reconciliation Quantities, DM Reconciliation Quantities, ~~or (as the case may be)~~ Individual CSEP Reconciliation Quantities ~~or (as the case may be)~~ Individual Eligible SSP Reconciliation Quantities; and
 - (ii) ...

Amend paragraph 6.1.1 to read as follows:

6.1.1 Individual NDM Reconciliation will be carried out:

- (a) (for all Days in the relevant Meter Reading Period) ...;
- (b) in respect of an Eligible SSP in accordance with paragraph 6.9.⁵

Add new paragraph 6.9 to read as follows

6.9 Individual Eligible SSP Reconciliation

6.9.1 For the purposes of [this Section E]:

- (a) **"Individual Eligible SSP Reconciliation"** is [reconciliation and] [an] adjustment in relation to an Eligible SSP in respect of the differences between the quantities determined as offtaken by a User [during a Reconciliation Billing Period] in accordance with Section H2 by reference to:
 - (i) [the Applicable End User Category for Smaller Supply Points];
 - (ii) [the Applicable End User Category for Smaller Supply Points at which a Pre-payment Meter is installed];⁶
- (b) the "Individual Eligible SSP Reconciliation Quantity" is the amount by which the quantity determined under paragraph 6.9.1(a) differs from the quantity determined under paragraph 6.9.1(b) and the Individual Eligible SSP Reconciliation Quantity is:
 - (i) [negative] where the quantity under paragraph 6.9.1(a) exceeds the quantity under paragraph 6.9.1(b);
 - (ii) [positive] where the quantity under paragraph 6.9.1(b) exceeds the quantity under paragraph 6.9.1(a);

⁵ Does individual reconciliation of eligible SSPs (if applicable) lead to an adjustment to transportation charges? If the approach is to have a single adjusting quantity and value will there be an adjustment to transportation charges?

⁶ I.e. the new EUC to be developed by xoserve.

(c) [the Reconciliation Clearing Value for an Individual Eligible SSP Reconciliation Quantity for a Reconciliation Billing Period shall be established by []].⁷

6.9.2 For each [Reconciliation Billing Period] and for each LDZ an "Eligible SSP" is a Smaller Supply Point:⁸

(a) which is identified in a report submitted by the Transporter to Users in accordance with paragraph 6.9.4 in respect of the relevant calendar month; and

(b) in the case of a Smaller Supply Point identified in the report under paragraph (a) at which a Smart Meter is installed, in respect of which the Registered User has submitted a notice in accordance with paragraph 6.9.5 during the relevant calendar month.

6.9.3 [In relation to a Reconciliation Billing Period the "relevant calendar month" is the [latest] calendar month in relation to which the last day falls in the Reconciliation Billing Period.]

6.9.4 [By not later than the [15th] day of each calendar month (or where such day is not a Business Day the next following Business Day) the Transporter will submit a report to Users identifying in respect of [each] LDZ Smaller Supply Points [registered in the Supply Point Register] [on the [] day of such calendar month] at which there is installed a Pre-payment Meter or a Smart Meter.]^{9,10}

6.9.5 Where the Smart Meter installed at Smaller Supply Point identified in a report under paragraph 6.9.4 is operating in [pre-payment mode], the Registered User shall between the date following the date on which the Transporter submits the report under paragraph 6.9.5 and the [28th] day of the calendar month (or where such day is not a Business Day the next following Business Day) submit a notice to the Transporter:

(a) specifying the [Supply Point Registration Number] for the Smaller Supply Point [and the Supply Meter Point Reference Number for each Supply Meter Point comprised in such Smaller Supply Point]; and

(b) confirming the Smart Meter is operating in [pre-payment mode].¹¹

⁷If Individual NDM Reconciliation to extend to reconciliation for each eligible SSP (or we have a single adjusting quantity) then we need to know a clearing value for the purposes of Section E7.2.2. Proposer to clarify.

⁸ RbD calculations are undertaken in the context of Reconciliation Billing Periods not calendar months. Proposer needs to consider alignment on timing between monthly reporting of eligible SSPs and Reconciliation Billing Period in which the required reconciliation of an eligible SSP is to be undertaken. Proposer to clarify.

⁹ On what date must the SSP be registered in the SPR? The date of the snapshot or some other date?

¹⁰We do not believe the SPR identifies whether an installation is a Prepayment or Smart Meter. On this basis the Transporter will not be able to provide the report envisaged by Business Rule 1.4. Proposer to clarify.

¹¹ We do not believe the SPR records whether a Smart Meter is operating in pre-payment or credit mode; it seems there is no basis on which the Transporter can verify whether or not the meter is operating in pre-payment mode.

6.9.6 An Eligible SSP will remain an Eligible SSP in respect of a Reconciliation Billing Period where the Eligible SSP ceases to be a Smaller Supply Point during the relevant calendar month (but shall not be an Eligible SSP in respect of any subsequent Reconciliation Billing Period).¹²¹³

6.9.7 Where a User ceases to be the Registered User of an Eligible SSP the User shall be continue be treated as being the Registered User of the Eligible SSP for the purposes of [this Section E] for the Reconciliation Billing Period for which the relevant calendar month is the month in which the User ceased to be the Registered User.

Amend paragraph 7.2.1 to read as follows:

7.2.1 For the purposes of this paragraph 7:

- (a) ...
- (b) **"Annual Individual NDM Reconciliation"** is Individual NDM Reconciliation in respect of Supply Meter Points with Annual Read Meters; Individual NDM Reconciliation; ~~and~~ DM Reconciliation for gas illegally taken under paragraph 3.5.1, ~~and~~ Individual NDM Reconciliation in relation to adjustments pursuant to paragraph 7.2.2(i) and Individual Eligible SSP Reconciliation;
- (c) ...

Amend paragraph 7.2.2 to read as follows:

7.2.2 Subject to paragraph 7.8, for each Reconciliation Billing Period, for each LDZ and for each Individual Reconciliation Sector:

- (a) the **"Aggregate Reconciliation Quantity"** and the **"Aggregate Reconciliation Clearing Value"** are the net aggregate respectively of the Reconciliation Quantities and Reconciliation Clearing Values for System Exit Points in the LDZ and LDZ Reconciliation and Individual Reconciliation Sector for which Individual Reconciliation or LDZ Reconciliation was carried out in (or in respect of) that Reconciliation Billing Period;
- (b) ...
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- (f) [...].¹⁴

SECTION M: SUPPLY POINT METERING

¹² If reconfirmed as an LSP before the 15th of a month it should not be on shown on the report submitted by the Transporter under paragraph 6.9.4.

¹³ Does rule operate other way round, LSP moving to SSP?

¹⁴ May need to consider change to existing text depending on outcome of discussion on alignment of Reconciliation Billing Periods and monthly reporting on eligible SSPs. Proposer to clarify.

Amend paragraph 1.2.2 to read as follows:

1.2.2 For the purposes of the Code, in relation to a Supply Meter Point:

- (a) ...
- (b) ...
- (c) ... is to be read accordingly;

(d) a "Pre-payment Meter" is a Supply Meter in respect of which a consumer must pre-pay for the supply of gas passing through the meter. **TRANSITION DOCUMENT**

PART IIC - TRANSITIONAL RULES

Add new paragraph 1.1A to read as follows: **1.1A TPD Section E: Daily Quantities, Imbalances and Reconciliation**

1.1A.1 By no later than [] 2013a User will submit a report to the Transporter identifying in respect of each LDZ those Smaller Supply Points in relation to which it is the Registered User at which on [] 2013 a Pre-payment Meter or a Smart Meter operating in pre-payment mode [is] installed (each such Smaller Supply Point a "**relevant SSP**").¹⁵

1.1A.2 Following receipt of a report under paragraph 1.1A.1 the Transporter shall calculate in respect of a relevant SSP the difference in the quantity of gas (the "**adjustment quantity**") treated as offtaken in Gas Year 2012/13 at the relevant SSP by reference to:¹⁶

- (a) the [Applicable End User Category for Smaller Supply Points]; and
- (b) the [Applicable End User Category for Smaller Supply Points at which a Pre-payment Meter is installed].

1.1A.3 The adjustment quantity (which shall be [positive] where the quantity under paragraph 1.1A.1(b) is greater than the quantity under paragraph 1.1A.1(a) and [negative] where the quantity under paragraph 1.1A.1(a) is greater than the quantity under paragraph 1.1A.1(b)) shall be deemed to have been sold and purchased pursuant to System Clearing Contract.

¹⁵ See earlier footnote about Transporter's inability to identify relevant SSPs from the information held on the SPR.

¹⁶ How will the difference be valued for purposes of debit/credit? Proposer to clarify.